

**PAROWAN CITY COUNCIL MEETING
MARCH 26, 2015
LIBRARY LOUNGE, 16 S. MAIN, 6:00 P.M.**

MEMBERS PRESENT: Mayor Donald G. Landes, Councilmen Alan Adams, Troy Houston, Ben Johnson, Steve Thayer, Steve Weston, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

MEMBERS ABSENT: None

PUBLIC PRESENT: Darren Lauritzen, John Brammal, Bob Whitelaw, Tanner Robinson, Whitney Halterman, Rance Bess, Ryan Orton, Jim Shurtleff, Shelby Bartlett, Sierra Mc Neil, Von Mellor (Parowan Power Superintendent), Chuck and Dottie Stade, Jet Smith (Parowan City Events), Ken Carpenter (Parowan Police Chief), Vickie Hicks, JD Frisby (Sunrise Engineering), Jim McConnell

1. CALL TO ORDER: Mayor Landes called the meeting to order at 6:00 p.m.

2. OPENING CEREMONIES: Mayor Landes offered the invocation. He then led the Council and public in the Pledge of Allegiance.

3. DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED? Councilman Johnson said he has a conflict with the Parowan City Pit Lease discussion. He is related to Bob Evans.

CONSENT MEETING

4. APPROVAL OF MINUTES (MARCH 12, 2015 CITY COUNCIL MEETING)

5. PURCHASE ORDERS/WARRANT REGISTER

Councilman Steve Weston moved to approve the consent agenda. Councilman Houston seconded the motion, with all Council members voting in favor of the motion. The motion carried.

PO # 901	Intermountain Sales Inc.	\$12,000.00
PO # 904	Scholzen Products	\$ 3,713.32
PO # 905	AAA Mobile Storage & Sales	\$ 3,450.00

Councilman Steve Thayer arrived at 6:23 p.m.

ACTION MEETING

6. IRON COUNTY REST HOME HARDSHIP AGREEMENT:

Attorney Wayment clarified that there are only two agreements. The operation transfer right and the contract to provide management. Mr. Scott said there is a third agreement that Brian ** sent

him that is between the City and Medicaid. Mr. Scott said we would have to agree on the other two first.

Mr. Wayment asked if the Council was good with the changes he made to the contract. Mr. Scott asked Mr. Wayment to summarize, since the final copy was just sent to Mr. Scott today. Mr. Wayment said they had some things removed. Most of the agreement is not an issue, but there is an issue with number 4.1. Mr. Wayment said the he spoke with Councilman Houston, and they are concerned that they don't want this agreement to be a band-aid fix. If the City agrees to do this, they would like to see money going back into the facility so that it will be improved, and it will be a good facility that Medicaid patients will go to and it is able to sustain itself.

Mr. Wayment said Mr. Brammal explained that he wasn't allowed (because of the way the money is paid through Medicaid) to put that money back into the facility. They were already going in the hole and they couldn't use the money into the facility for improvements, so it was a never ending spiral downward for them.

Mr. Wayment said he left the percentage blank on 4.12 because it hadn't been discussed, but he thinks the City's concern is when this becomes a viable entity, we want some of the gross proceeds to be put back into the facility so if this program goes away, the building is in good condition and will prevail. So this percentage needs to be looked at and agreed upon.

Mr. Brammal explained that the State of Utah came down and audited the care center. Their numbers showed a loss of \$270,000 this last year to operate it, which is a little over \$20,000 a month. He said he personally took \$170,000 of his money to keep the facility going. Mr. Brammal said that the mortgage expense of \$5,000/month (or \$60,000/year) was disallowed, so that was a guaranteed loss no matter what they did.

In 2004, they had an audit that showed there was a hardship. They were given \$100,000 more from the State program. They actually showed about \$10,000 profit that year. With this hardship agreement and the upper payment limit agreement, they will allow about \$100,000 to be paid in 2015-16 over to make up for the remaining loss that hasn't been funded. Mr. Brammal said if he says he is going to give 3% percent or \$10,000, he will have to come up with that out of his household budget. So for one year, Mr. Brammal says he can't agree to give anything until he pays off the outstanding balance.

Mr. Brammal said under the hardship agreement, if the City funds 30% (\$30,000) the State will match \$70,000, they will be able to pay off that bill over the next year. Mr. Brammal said this is just the hardship money (without the other agreement) but it takes a full year to receive. The City would pay about \$15,000 for the next quarter. That will bring down some matching money.

Councilman Johnson asked how the City would recuperate that money. Mr. Brammal said under the upper payment limit agreement, he said he has agreed if the City takes over the operational license and he leases it back, he has agreed to pay \$10,000/month as a lease. He said if the City owns the operational license and they lease it back to Mr. Brammal that is an allowable cost.

That is a \$12-17/day allowable cost that hasn't been allowed in the past twenty two years. That is an additional \$100,000/year for the facility.

Mr. Brammal continued to explain under the upper limit payment program, there is up to a total of \$50 per patient per day. If you take a census of the care center here in town and multiply that out that is about a \$400,000 possible amount to bring down. According to the audit and their numbers and the three counties they are currently working with, they are guessing this could be \$360,000-\$370,000. So if they lease the facility from Parowan City at \$120,000/year (which is \$30,000/quarter or \$10,000/month) the facility can send the money in. This is 30% that can be matched at 70%. \$70,000 for four quarters is \$280,000.

Mr. Brammal said this makes sense for preserving jobs and the facility. If they run it well, they may have \$10,000-30,000 left over at the end of the year. He said he doesn't have a problem saying he will pay 10% of profit towards improving the building, but he said he would really like to pay off his loans the first year. He said they can show \$100,000 profit this year, but the reality is it is going towards paying off last year.

Mr. Brammal said even though it makes sense to everyone to tie the monies to a program, if an auditor says they are just recycling Medicaid and Medicare dollars and it is tied to the reimbursement, then they can come in and do to the City like they do to him as an owner and say this is recycling and they won't allow these costs prospectively.

Attorney Wayment asked Mr. Brammal to explain what recycling is. Mr. Brammal explained if he as an entity took \$30,000 and gave it to the State and the State gave it to the Federal Government and the Federal Government matched that money with \$70,000 then Mr. Brammal is given the \$100,000 that is deemed money laundering. But the whole point of this discussion is they say if a local community supports and wants to keep a business and a service in town, and they put money towards it, even if you are leasing it or renting it, then they say that is alright. But there can't be a dollar for dollar or a tied number to one or the other.

Mr. Brammal said the reality is he could shut the facility down and it would cost him \$2,000/month until it is paid for. He said that would be a whole lot cheaper than losing \$10,000-20,000 a month. He said he would be a lot happier and his wife would too and he would sleep a lot better at night.

Mr. Brammal said he supports the facility and he cares about the people and the residents. He said he thinks his 22 year track record says that. But right now with Obamacare all of the profits of all the buildings are going towards health insurance for his employees. So there's no money there. He's taking from Peter to pay Paul.

Councilman Weston asked if Mr. Brammal were to charge the City the \$10,000 a month for the lease and the City puts down that the lease is \$13,000 a month and the City accepts what they could pay (\$10,000) would that take it out of the money laundering issue and at some point we allow them to catch up. Mr. Brammal said that \$10,000/month lease is an allowable cost. Anything more than that and you get into trouble.

Mr. Darren Lauritzen said that part of the problem with the way it is written is that the lease payment is paid to the reimbursement plus 3%. So it moves with the draw down money and that's the taboo part. It needs to be a fixed amount so regardless of what the draw down money is they can't say there's a connection. Attorney Wayment said that's what he tried to do because he was trying to make sure the City didn't come into a situation where they lost money.

Mr. Wayment said he thinks the position of most of the citizens is they would like to see the facility stay here (he said he is speaking out of turn because he hasn't spoken to any of the citizens) but he is assuming that they would say they would like the facility to stay here because they like the jobs here in Parowan, but they don't want to subsidize a private business.

Mr. Scott asked wouldn't this be easier than asking for more than \$10,000 a month. Mr. Scott said when he has spoken to people who have run this thing, they have made it clear to him that the City should ask to have some profit. He thinks what Mayor Brammal has proposed here is a break even scenario. It has been explained to him that the City should be able to tell its citizens that this is actually making the City some money.

Mr. Brammal said he is betting that the City will make \$30,000 - \$40,000 with the numbers that they have run. He said at a \$10,000/month lease, right now the subsidy might be \$24,000 - \$27,000 per quarter. So the City would make the difference on that as an enterprise fund and that is just fine. Mr. Scott said when we have talked about this we've talked about \$30,000 a quarter being seed money, so when he sees \$10,000/month to him that is matching.

Mr. Brammal said that the \$30,000 is just to protect the citizens of Parowan. The City is going into a business as a lessor of the business. From Mr. Brammal's perspective he wants the City to be fiscally responsible, but he wants to be fiscally responsible as well. If the City invests \$30,000 and at the end of the year the City has \$30,000 - \$40,000 extra, then that was a good enterprise. There's \$30,000 to spend on some playground equipment. Mr. Brammal said one facility they operate got a half a million dollars more a year. Another facility got a million more. When they got a million more, the board decided to pay \$2.00 more an hour to all of their employees. So their million dollars disappeared and went out into the funds of the community.

Mr. Brammal said he is willing to set a lease amount that is allowable every year based on their budget and finances and experience, but on the other hand he said he really thinks \$10,000/month is a safe lease that's auditable. It protects the City and them, it keeps the business going, and it's a maximum allowable cost with some leeway. They can pay their bills and all the vendors around town will be happy.

Mayor Landes said he thinks our number one goal is to protect the employment and the jobs of the people here in Parowan and to keep the rest home here. He said if at some point if we can see a little something out of it that's fine, but he thinks that is secondary. Mr. Brammal said the second year we might see \$100,000. He said he would be very happy to put \$100,000 into a new façade or a new parking lot seal and chip.

Councilman Johnson asked what the City's risk is that they would have to pay more than \$30,000 in a quarter. Mr. Brammal said that \$30,000 would be the maximum, so there is no risk.

Mr. Scott asked Attorney Wayment if there is something in the contract that allows the City to renegotiate the lease amount every year. Mr. Wayment said no, but they could but that in. He said they talk about leasing, but the word "lease" is not in the contract. He said the word "lease" needs to be added. Mr. Wayment said he could take the 3% out of the contract. That wouldn't be a problem. He said what they need to do is say that the lease amount is negotiable each year.

Mr. Brammal said that the upper limit payment program only goes through 2018. So they need to change "5 year" to "3 year". He said this gives them a budget to meet every year and reassess. He said if they want out, they can get out and if the City wants out, they can get out with 90 days notice. Mr. Wayment said he put in the agreement that before the City would transfer the license back the City would be paid in full. In other words, the license could be purchased for the amount owed.

Councilman Houston asked what happens if the City pays \$30,000 and the place closes its doors. Now the City is out \$30,000. He asked if there is a way to lien the property so the City can get its money back in case that does happen. Mr. Wayment said we have to remember the license. The value is not in the facility. The value is in the license to run the facility. Mr. Wayment has told Mr. Brammal's group that before the City would transfer the license back to them, they would need to make the City whole again. If they do that, the City can transfer the license back to them and then they can sell the license to someone who most likely will close down the Parowan facility and use that license in Cedar City or elsewhere.

Mr. Brammal said there has been a complaint from another facility in Cedar City as to why the State would even agree to the hardship money. They think the State should let them go out of business so they can get all of the patients over in Cedar City.

Mr. Wayment reiterated that the license is the value and the City would own that. He also said that if Mr. Brammal's group were to file for bankruptcy that would terminate the agreement. Any seed money the City had paid in would be gone, but the City would retain the license. Councilman Weston added that there is a moratorium on new facility licenses. Mr. Brammal agreed that this is true.

Mr. Scott said he thinks he understands the upper payment limit pretty well. He asked how the City seeds and how does the hardship work. Councilman Johnson added his question of how the City gets reimbursed. Mr. Brammal said the City gets reimbursed \$10,000/month. He said whether it is hardship money or upper payment limit, the City gets reimbursed \$120,000/year. Mr. Brammal explained that Parowan City agrees to support the rest home and agrees to pay \$30,000/quarter – period. The facility can send that to the State or to Medicaid to the hardship division or to the other division. Mr. Brammal said they can get hardship money within 30 days. The upper payment limit takes 60 to 90 days at best. Worst case scenario would be 6 months, but they will retroact it to whatever date they sign the agreement. They did the hardship to protect the building from January on. They are hoping to make it through the first quarter. Mr.

Brammal said if the City wants to support the facility, we give them \$30,000 and they will put the money where it needs to go.

Attorney Wayment said once we do this money, then the City can sign the upper payment limit (UPL) agreement for the transfer of the license. Mr. Brammal said the City can do both at the same time. Mr. Wayment said he assumed that if the City owns the license, then we can't put in \$15,000 for the hardship money because you can't seed your own self. So we would have to give money for the hardship first, and then sign the UPL agreement and then they could start on the upper limit. By that time the City would already have given them the seed money for the hardship money, they've started paying the City \$10,000/month and the City recovers. Mr. Wayment said that was the way it was explained to him. Mr. Brammal said that would be a way to do it.

Mr. Lauritzen said that the hardship starts almost immediately as far as reimbursement goes. So that would help them this month. The upper payment limit could take up to 6 months, as Mr. Brammal has already stated. So he is still losing x number of dollars until they get that to come in. He said yes it goes retroactive to get it back, but the hardship money pays now. That is going to keep the building open until the upper payment limit kicks in. Councilman Johnson asked if the City would be paid the \$10,000/month if we haven't entered into UPL agreement. Mr. Wayment said the City would enter into that almost immediately after the hardship agreement. So if you enter into one this month, then you can enter into the other next month. He just doesn't think they can be entered into simultaneously, otherwise we would own it and we couldn't enter into the hardship agreement.

Mr. Wayment said after their last meeting he didn't think they were doing the hardship money. He thought they were just going for the UPL agreement. He said we probably need clarification on that, but if we can do that, he doesn't think the City has a problem doing that. Mr. Wayment said as long as we are doing everything legally, that is the most important thing. He said frankly, as he's told the Council, he is going on what everyone has told him because it would take him months to research the law on this. Councilman Houston asked if it is legal. Attorney Wayment said he didn't know. He is deferring to Mr. Brammal and his group.

Mr. Brammal said there are only 300 buildings nationwide doing this, and 5 or 6 of them are in the State of Utah. Mr. Wayment said he figures since the County is doing it, then it's probably legal. His first concern was he knows that counties can open hospitals and run them. Mr. Brammal said Beaver Hospital has been receiving upper limit payment money for years and years to keep it open. Mr. Wayment said he confirmed this. Mr. Brammal said they just did it for their nursing home in 2014.

Councilman Houston asked again if we can use citizen's money to seed the facility legally. Mr. Wayment said this is part of the heartburn he has. Mr. Brammal said in Uinta County they decided they wanted health care in their county forever. They set up a tax with a special service district that funds about a million dollars per year to fund the hospital or the care center. They got them on the upper payment limit and they receive a million dollars a year instead of their taxes. The monies are actually going to home health services, the hospital and other services.

In Emery County, they use CIB monies because they have coal lease money. They decided to put up some of their coal lease money to fund nursing homes and their medical center. Even doing this they were losing money so they hired Mr. Brammal's management company to come in and turn them around. Some years they would make \$120,000, some years \$200,000 with their care center with them managing it.

Uinta Basin has done the same thing with a different management company and the upper payment limit. Gunnison Valley hospital and Nephi hospital have been doing the upper payment limit to keep them in business. The Mayfield care center, because of the same situation Parowan is in (being privately owned), was \$2 million in the hole. They filed bankruptcy and sold. The company that bought it said they couldn't run it because Mayfield was too small of a town. So Gunnison hospital partnered with them (they are a county owned facility) and they were able to get the upper payment limit and it is being operated that way. So there are other counties who are doing this.

Mr. Wayment said the problem is he didn't research hardship because it was his understanding that they weren't doing it. The UPL money we are getting paid \$10,000/month so the City was immediately recovering that. The seed money for the hardship is a different deal and he didn't look at that. One of the things he was going to look at was he knows you can take money if you form a hospital board and you do the special service district, then they are basically a business and can put money in and out. Here we are taking it from the general fund. So he doesn't know for sure if it can be done. He will look into this.

Councilman Houston asked Mr. Brammal why not the county, why the city. Mr. Wayment told Councilman Houston that the county already has one. They can't do two because they would compete against each other. Mr. Brammal said the facility in Cedar City went to the County and asked them not to fund Parowan. Several years ago this other facility complained to the State and tried to get the hardship program shut down. But the State chose to keep the program. Why not the county here? The county doesn't want to get involved.

Councilman Johnson asked about the \$24,000 - \$27,000 seed money. Mr. Brammal said it is based on census, reimbursement, and level of care. He asked what are first quarter of seed money is going to be. Mr. Brammal said he doesn't know that until it is calculated based on the level of care. Mr. Johnson asked how we know what we are paying. Mr. Brammal said what they are asking for the first quarter is \$30,000. Once the agreement is in place they can tell us what that is, but they can't tell us in advance.

Mr. Brammal said their numbers are estimating \$24,000 - \$27,000. Mr. Wayment said that the money won't be provided until we know that Mr. Brammal has the funds coming back. In other words, the City says it will put up the seed money for hardship, but we don't have to draft a check. Mr. Brammal goes to the State and says they have the seed money, and then if the State says they are approved, then we put the money in. Mr. Brammal said if somebody made a motion tonight that the City would fund up to \$30,000 for hardship money, then they could give the City the paperwork that they just got this week that says it is \$14,000 + (he couldn't remember the exact number), so of the \$30,000 the City commits in their meeting, they would really only fund the \$14,000+ for hardship. That will bring almost \$50,000 for hardship to help

pay the bills. So then we finalize an agreement on the upper payment limit on the lease, then they start paying the City \$10,000 a month for the lease. Then we are ahead in the game, and we are in the business of helping the business. By the end of the year, the City will make the taxpayers some money by providing this service.

Mayor Landes said the basic question is do we want to keep the nursing home in Parowan. Councilman Adams asked Mr. Brammal if it would be easier for him to just walk away from here. Mr. Brammal became very emotional and said if he didn't care about the people here he would have walked away. Councilman Houston said that could happen tomorrow. There are no guarantees. Councilman Adams said he doesn't feel that Mr. Brammal is here trying to push them into a deal. He said he has to know these things in his heart so he knows what he is doing. He doesn't feel Mr. Brammal is pushing the City into anything, he's just saying if he's going to stay afloat, the City needs to do this. That is his understanding.

Councilman Houston asked what improvements will they make to the care center in the next two to three years so that the City can see that this isn't a band-aid fix and things stay the same – nothing changes. What will they do to be stronger in this business? Mr. Lauritzen said that one thing right off the bat is if the City owns the license, it takes them out of the competition with M&D or the hardware store for boy scouts to come in and do Eagle projects since they are doing them for the City. Service projects like those done at Meeks Farm could be done at the rest home. With the City as the owner, it makes the rest home a potential for those types service projects. Mr. Lauritzen said that Mr. Brammal has showed what he is willing to do maybe not this year but next year. He said he thinks everyone is agreed that we need to see something visible as far as improvements so we can say good things are happening. To change a nurse call light system or to upgrade the toilets are things that people don't see, but they are committed to something on the outside so that people can see that good things are happening.

Mayor Landes said they have talked and gotten as many numbers as they can handle. The basic question is still do we want to get these 40 jobs in Parowan. Councilman Houston asked how many of those 40 jobs are filled by people who live in Parowan. Mr. Lauritzen said there are 44 employees. There are a couple of people from Paragonah, probably ten people from Enoch, and one or two people from Cedar. So the majority of the employees are from Parowan.

Mayor Landes asked if we need to vote on these agenda items separately. Mr. Scott in his opinion they should not do the upper payment limit tonight, but do the hardship agreement. Attorney Wayment said he is going to have to re-draft some of this. Mr. Scott said maybe they could do as Mr. Brammal suggested and authorize the \$30,000 in this second calendar year quarter. Mr. Brammal said they know what the hardship is, so they could authorize \$15,000 and that would be enough to do that. He would be happy to have \$50,000 to pay half of the bills. That money could be received in 20 days.

Mr. Scott said that on agenda item 8, the City needs to create a relationship between the City and the Utah Department of Health. In order to do the hardship, we need to have a relationship with them.

Councilman Weston asked if this hardship money would be for the first quarter. Mr. Wayment said we want to do this before the first quarter. Mr. Brammal said if they could get a check tomorrow, they could have the money back in a week to 20 days.

Mr. Scott asked Mr. Wayment suggests the Council do as far as taking action on this. Mr. Wayment said what they really need is the hardship money. That is the first priority. If the Council is going to do this, then he thinks they would do the hardship and make that motion. He hasn't looked at that agreement, but it comes from the State, so he assumes it is alright. Mr. Scott said this creates a relationship between the City and the State. Mr. Scott asked Mr. Brammal if he is ok with the City creating that relationship with the State. He asked if we just need a motion to approve that amount of money.

Mr. Wayment said they can approve up to \$15,000. He said this is one of those things that the town has to say we feel that it is important to keep the care facility here. The City will put \$15,000 towards it. He said this is a risk because we don't have the agreements in place. But he is comfortable that this can be done, barring unforeseen circumstances. He is comfortable that it is being done. Is he comfortable in knowing all of the Medicaid/Medicare laws and all that's involved with the upper payment limit? No he's not. It would take weeks to read all of that information.

Mr. Scott said that maybe we skip agenda items six and seven, and as part of a motion on item eight create that hardship agreement with Utah Medicaid and to authorize an amount of not more than \$15,000 to pay towards the hardship program.

Mayor Landes asked how long before we can address items six and seven. Mr. Wayment said they are very close, and if Mr. Brammal had been able to get a hold of him this afternoon, they may have had it done and ready tonight.

Mr. Brammal said that if the City agrees to take over the license, Mr. Brammal is agreeing to pay \$10,000/month for the lease.

Councilman Johnson moved to table agenda item six, Iron County Rest Home Hardship Agreement. Councilman Adams seconded the motion. All Council members voted in favor of tabling this item. Agenda item 6 was tabled.

7. IRON COUNTY REST HOME UPPER LIMIT PAYMENT AGREEMENT:

Councilman Johnson moved to table the Upper Limit Payment Agreement. Councilman Houston seconded the motion. All Council members voted in favor of the motion. Agenda item 7 was tabled.

8. HARDSHIP AGREEMENT WITH MEDICAID: Mr. Scott said he didn't think that Mr. Wayment has actually read this agreement because it came to him this afternoon. He suggested that part of the motion include allowing Mr. Wayment to read and approve the agreement. Also, at Mr. Wayment's suggestion, Mr. Scott contacted our insurance company today. He said he started going into the whole thing with our local representative and he was very much aware of this program. He said there are a few things that we will want Mr. Brammal's company's

insurance to have. He spoke with Brian about these things, he sent them to Mr. Scott and he sent them on to our insurance. They said everything looks great.

Councilman Johnson moved to approve the Hardship Agreement with Utah Medicaid upon review of our legal counsel, including a payment of up to \$15,000 for this hardship. Councilman Thayer seconded the motion. The Mayor called for any discussion. Councilman Houston asked where the money is coming from. Mr. Scott said we will be opening the budget for FY 15 to accommodate these funds. Hearing no further discussion, Mayor Landes called for a vote. All Council members voted in favor of the motion. The motion carried.

9. CENTER CREEK POWER PLANT UPGRADE CHANGE ORDER NO. 1: Mr. Scott said this is the first change order for the work being done on the physical plant. Mr. Frisby said that there was a miscommunication and a misunderstanding. The equipment for the plant was purchased directly by the City. When they brought the contractor on board, the information he was given was the equipment weighed a different amount than it actually weighed. The contractor thought he had the equipment sufficient to move the equipment. When the equipment arrived, he couldn't get the equipment out, so they had to rent another forklift to help move it. It cost \$2,370.00.

Mr. Scott said we are blaming the contractor who made the wheel and the generator that they packaged it incorrectly and gave us the wrong weight. We feel like it is their fault. We will have that discussion again at the end. The Council would be approving this change order to reimburse the contractor who had to rent the equipment.

Councilman Johnson moved to approve the Change Order Number 1 for the Center Creek Power Plant Upgrade. Councilman Weston seconded the motion. All Council members voted in favor of the motion. The motion carried.

WORK MEETING

10. 200 SOUTH MAIN STREET DISCUSSION: Mr. McConnell said he received an email from Mr. Scott regarding the 200 South intersection requesting a "Local Traffic Only" sign on 200 South that would allow residents to break the law and non-residents to be ticketed. He said UDOT isn't a law enforcement agency, but they didn't think this would work. The way it is being signed right now is as they were working through the project that is the way the City wanted to do it, with a left turn only lane and a right turn only lane. That doesn't stop anyone from making a left turn or a right turn off of Main Street. It just precludes anyone going through the intersection eastbound on 200 South.

Mr. McConnell said he wanted to get with the Mayor and the Council and see what their wishes were. He said there is an easy fix to this situation. Instead of a left turn only arrow, they can put a straight through or left turn arrow which would allow traffic to go back through the intersection again. He said that may not accomplish the things that the City intended with the left turn arrow.

The Council seems to be happy with the results of the left arrow. More people are turning towards town. Chief Carpenter said he has talked with Chief David Schiers about this and they

agree that right now this isn't enforceable. He would like a flashing stop sign (like the flashing deer signs) at that intersection.

11. CENTER CREEK CHANGE ORDER DISCUSSION – CROSSING ALTERATION:

Mr. McConnell reported that at Dry Canyon, where the over head penstock line is, there are some major issues. They have had issues with that pipe culvert in the past that they've actually got two pipe culverts in there. That stream carries such a heavy bed load that every time there is a storm they have to get in there and clean those out.

With the penstock line now five or six feet off of UDOT's right of way, they can't get any kind of heavy equipment in there to clean the outlet end of that. This is what gives them the biggest trouble. When that builds up and starts backing it backs up all of the bed load up into the pipes. Mr. McConnell said the issue is they don't have very good flow through there to begin with because there was an old concrete box from when the old road was narrow through there. When they widened the road, they put pipes in both ends of that box. The water comes into the box, slows down and then has to make its way out of the box again. They end up with some major issues having to clean that out every time. And they can't get any equipment in there to clean that out now with that penstock line there.

The other issue is if they extend those pipes out underneath that penstock line, they will further slow the flow through there with additional losses on those pipes. It causes more back up in there and causes more problems. The other issue is that they are on private property if they go to the outside of that to clean it out. So they would have to get some kind of easement through that private property to get in there and clean it out if they were to extend those pipes out, which he said really isn't a good idea.

Mayor Landes asked what Mr. McConnell's recommendation is. Mr. McConnell said that the only thing that would work up there is to put a box culvert in, and that is a utilities nightmare. He asked if the City could help with some relocation on some of the water lines so that they can put in a box culvert in there and solve the problem on both issues. Mayor Landes asked what kind of help they are asking for. Mr. McConnell said dollar wise, but he doesn't know what the cost would be. He said they had a consultant come in and do the subsurface utility work on it, so they have a pretty good plan on where those are. There was one water line that they weren't able to find.

Mr. Scott said that Mr. Kelly Stones said that as a City would like to see something more permanent up there. The City does a little bit of maintenance up there and it is our residents who are going to get flooded out if there is a problem. Mr. Stones said he would be willing to do what it takes to get this long term solution. Mr. McConnell said they still don't have good drainage through there even if they move the pipes around.

Mr. McConnell asked the Council to give UDOT a couple of months to work on this and come up with some estimates. Mr. Scott said he feels it would be a good thing for the City to work with UDOT on.

12. EVENTS/VISITOR CENTER REPORT - JET SMITH: Mrs. Smith reported that the Visitor's Center is doing well. They have started working on the "new" visitor's center. They have received \$1800 from Brian Head, and \$3,000 from the tourism bureau. She is working with Dave Mineer on photo murals for the new visitor center. Mrs. Smith reported on the following items:

- Visit Center employees and volunteers are great.
- Parowan Chamber of Commerce is up to 50 members.
- They are planning "Play Unplugged" again this year. .
- Theater Board has a really good board right now. The play "1776" was very successful. They are planning to show movies every Wednesday at 10 am in June and July through the summer recreation program. There will be a little family pass.
- The summer recreation books will be out by first of May. There are going to be some great field trips. They are going to need to use the fair building more this year because they don't have the room over the visitor's center anymore.
- Gliders arrive June 18-28th. Working on advertising in "Soaring" Magazine. The thing that is killing Parowan with this is the lack of hotels.
- Jr. Basketball had 70 kids sign up.
- The Memorial Day Program is set. The program speaker will be Albert "Robby" Robb.
- The Chamber is working on the car show for June 6th.
- Swap Meet Saturdays will be in June again. They are planning on doing more advertising.
- She is planning the July concert series. It will be held at the Gazebo. The Council would like to try moving this to the City Park.
- 74 people are already registered for the half marathon. Mrs. Smith has already been to two expos. They are going to do the Yankee Doodle Dash and Rebel 5K again. She already has the shirts and the medals.
- Alice Heidenreich is a new part of her team. They have had a lot of meetings. They have met with the rodeo group and hope to have 2-3 rodeos. They are starting a men's softball league. She is a great asset to her little team.
- 4 new businesses were added to the chamber – Valley Casting, Teasing and Tanning, Dr. Mingham, and Renew. Working on new ideas to promote down town Main Street night.
- Mrs. Smith is working with Brian Head on what we can do together. They have been brainstorming ideas.

The Mayor asked Chief Carpenter to show the award he received for Police Chief of the year. We are very proud of Chief Carpenter!

13. ANGLED PARKING DISCUSSION – ORDINANCE 22.20.020: Angled parking is allowed on 100 South from Main Street to 100 West. The LDS church is concerned about safety on that street. Mr. Scott asked the Council if they want to change this ordinance. The Council decided they are not interested in changing the ordinance, but the wards could still announce parallel parking.

14. RUFUS BUILDING DISCUSSION: Mrs. Smith had a contractor come over and look at the building. She said everyone wants to keep façade, but the building is in really bad shape. Mrs. Smith said that the front of the building is a store with two bathrooms. The back of the

building could be used for storage and to store the floats. Mayor Landes said we need to clear the weeds on that property. She received a bid of \$240,000 to remodel the building. Joyce Evans said she has an in with someone to get a good deal on a metal building. She does have a bid to demolish the building.

15. PIT LEASE: Mr. Evans contacted Mr. Scott and said he is not going to be able to take on the lease because of some health concerns. He has entered into negotiations with another local contractor to buy some of his equipment. This local contractor is very interested in this lease. There is no money exchanged with Mr. Evans. There would be work required to keep the pit open. Councilman Houston thinks we need to talk to the City Engineer and have them take a look at that area to make sure it isn't over excavated. Councilman Johnson asked if we could ask for proposals from interested parties. The Council would like to do an RFP and then have our engineers evaluate the pit and the proposals.

16. RECIPROCAL BUSINESS LICENSE ORDINANCE DISCUSSION: The Council is willing to accept other town's business licenses. This item will be moved to the next action meeting.

17. BUDGET OPENING FY15: Mr. Scott explained that the general fund must be balanced every year. Sometimes we go over in some of these departments. The motivating factors to open the budget this year are the New City Office and the restrooms at the park. The restrooms were budgeted for last fiscal year, but we didn't end up building them until this fiscal year. Since we are going to open the budget, we have adjusted some other numbers as well.

- Federal Grants under Intergovernmental Revenue – increased \$30,000
- State Grants – changed from \$35,000 to \$80,000.
- Rents – proposing to put in the lease amount from the Iron County Rest Home, changed from \$8,000 to \$55,000
- Non-Departmental – postage is going to be changed to Health Care License
- Under 9010 – Transfer to Capital Projects- change from \$35,000 to \$335,000. Mr. Scott said the City is in danger over going over the allowable 25% in our general fund. So we are going to transfer this to our capital projects. There will continue to be adjustments and decreases in transfers from the enterprise funds.

Mr. Scott went over the capital improvement fund.

18. MEMBER REPORTS:

Councilman Houston reported that the TARP committee met Tuesday. They discussed the splash pad as well as other ideas. They started working on a master trail plan for Parowan. They threw out ideas and gave direction to the Engineer as to where we want to go. Mr. Houston went to Cedar's BLM meeting to hear about their trail plans and the direction they are going. Ride the Gap is still on for June 6th.

Councilman Adams didn't have anything to report this evening.

Councilman Johnson reported on the Power Board meeting and they discussed the excess funds and what they can do with them. Councilman Johnson is very concerned about increasing the number of students we have in our schools and getting families into town. We are down to 308 students in our high school. There is a chance we could lose a teacher at the Elementary School. They talked about paying off a debt or investing in something in the community, something that would benefit the City. He said bringing people into town is one of our greatest investments. Councilman Johnson said he was a little discouraged that the Power Board voted to do nothing at this point with those funds, but he said we've got to find a way to bring people into Parowan.

Councilman Houston asked about the general plan. Mr. Scott said he hopes to get something by summer, but the other projects are taking all of his time.


Councilman Weston reported that May 13th is a service day for the Shade Tree committee. They expect about 150 students to help with that. The play "1776" was a huge success. They spent \$3,000 in their budget and brought in \$4,400. So that was a money maker. They have gone over the Shade Tree Committee's budget.

Councilman Thayer reported that there is a severe drought in northern California. He has been asked to drill a well for a friend there. It will be possible for him to be at one meeting, but probably not two meetings a month. Councilman Weston reminded Councilman Thayer that he can participate electronically. He said he was unable to be at Water Board, so asked if Shayne or the Mayor could report what happened. The Mayor said they have most of the pipe and are most of the way down 300 East. Mr. Scott said Mr. Stones got a really good bid on pipe outside of the City. The Water Board told him to go ahead and do it. Councilman Thayer said this is great news.

19. PUBLIC COMMENTS: There was no comment from the public.

Attorney Wayment commented that we got the Justice Department Agreement that the Council approved.

20. ADJOURN: Councilman Houston moved to adjourn the meeting. Councilman Johnson seconded the motion. All Council members voted in favor of the motion. The meeting adjourned at 8:36 p.m.


Donald G. Landes, Mayor
Callie Bassett, City Recorder